

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Judiciary, to which was referred Senate Bill No. 171, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 2, delete lines 8 through 28, begin a new paragraph, and insert:
2 "(c) Subsections (d) through (g) apply only to personal property
3 that:
4 (1) is subject to a lien of a creditor imposed under an
5 agreement entered into between the debtor and the creditor
6 after June 30, 2005;
7 (2) comes into the possession of the creditor or the creditor's
8 agent after May 10, 2006, to satisfy all or part of the debt
9 arising from the agreement described in subdivision (1); and
10 (3) had an original cost of at least three thousand two hundred
11 dollars (\$3,200).
12 (d) For the purpose of satisfying a creditor's lien on personal
13 property, the creditor of a taxpayer that comes into possession of
14 personal property on which the taxpayer is adjudicated delinquent
15 in the payment of personal property taxes must pay in full to the
16 county treasurer the amount of the delinquent personal property
17 taxes determined under STEP SEVEN of the following formula
18 from the proceeds of any transfer of the personal property made by
19 the creditor or the creditor's agent before applying the proceeds to
20 the creditor's lien on the personal property:
21 STEP ONE: Determine the amount realized from any transfer

of the personal property made by the creditor or the creditor's agent after the payment of the direct costs of the transfer.

STEP TWO: Determine the amount of the delinquent taxes, including penalties and interest accrued on the delinquent taxes as identified on the form described in subsection (f) by the county treasurer.

STEP THREE: Determine the amount of the total of the unpaid debt that is a lien on the transferred property that was perfected before the assessment date on which the delinquent taxes became a lien on the transferred property.

STEP FOUR: Determine the sum of the STEP TWO amount and the STEP THREE amount.

STEP FIVE: Determine the result of dividing the STEP TWO amount by the STEP FOUR amount.

STEP SIX: Multiply the STEP ONE amount by the STEP FIVE amount.

STEP SEVEN: Determine the lesser of the following:

(A) The STEP TWO amount.

(B) The STEP SIX amount.

(e) This subsection applies to transfers made by a creditor after May 10, 2006. As soon as practicable after a creditor comes into possession of the personal property described in subsection (c), the creditor shall request the form described in subsection (f) from the county treasurer. Before a creditor transfers personal property described in subsection (d) on which delinquent personal property taxes are owed, the creditor must obtain from the county treasurer a delinquent personal property tax form and file the delinquent personal property tax form with the county treasurer. The creditor shall provide the county treasurer with:

(1) the name and address of the debtor; and

(2) a specific description of the personal property described in subsection (d);

when requesting a delinquent personal property tax form.

(f) The delinquent personal property tax form must be in a form prescribed by the state board of accounts under IC 5-11, and must require the following information:

(1) The name and address of the debtor as identified by the creditor.

1 **(2) A description of the personal property identified by the**
2 **creditor and now in the creditor's possession.**

3 **(3) The assessed value of the personal property identified by**
4 **the creditor and now in the creditor's possession, as**
5 **determined under subsection (g).**

6 **(4) The amount of delinquent personal property taxes owed on**
7 **the personal property identified by the creditor and now in**
8 **the creditor's possession, as determined under subsection (g).**

9 **(5) A statement notifying the creditor that IC 6-1.1-23-1**
10 **requires that a creditor, upon the liquidation of personal**
11 **property for the satisfaction of the creditor's lien, must pay in**
12 **full the delinquent personal property taxes owed on the**
13 **personal property in the amount identified on this form from**
14 **the proceeds of the liquidation before the proceeds of the**
15 **liquidation may be applied to the creditor's lien on the**
16 **personal property.**

17 **(g) The county treasurer shall provide the delinquent personal**
18 **property tax form described in subsection (f) to the creditor not**
19 **later than fourteen (14) days after the date the creditor requests the**
20 **delinquent personal property tax form. The county and township**
21 **assessor shall assist the county treasurer in determining the**
22 **appropriate assessed value of the personal property and the**
23 **amount of delinquent personal property taxes owed on the personal**
24 **property. Assistance provided by the county and township**
25 **treasurer must include providing the county treasurer with**
26 **relevant personal property forms filed with the assessor and**
27 **providing the county treasurer with any other assistance necessary**
28 **to accomplish the purposes of this section.**

1 SECTION 2. [EFFECTIVE JULY 1, 2004] **IC 6-1.1-23-1, as**
2 **amended by this act, applies only to property taxes first due and**
3 **payable after December 31, 2005."**

(Reference is to SB 171 as reprinted February 15, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 2.

Bray

Chairperson